

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:
THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**This filing relates to the
Commonwealth and HTA.**

**REPLY OF THE COMMONWEALTH OF PUERTO RICO AND PUERTO RICO
HIGHWAYS AND TRANSPORTATION AUTHORITY TO RESPONSE FILED BY
LEONARD LAMM [ECF NO. 13791] TO THE ONE HUNDRED NINETY-EIGHTH
OMNIBUS OBJECTION (NON-SUBSTANTIVE) TO DUPLICATIVE CLAIMS
ASSERTED BY CERTAIN HTA BONDHOLDERS**

To the Honorable United States District Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico (the “Commonwealth”) and Puerto Rico Highways and Transportation Authority (“HTA,” and together with the Commonwealth, the “Debtors”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the sole Title III representative of the Commonwealth and HTA pursuant to section

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”, and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the “Debtors”) (Bankruptcy Case No. 19-BK-5532-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² file this reply (the “Reply”) to *Claimant Leonard Lamm’s Response to the One Hundred Ninety-Eighth Omnibus Objection* [ECF No. 13791] (the “Response”), filed by claimant Leonard Lamm (“Lamm”), to the *One Hundred Ninety-Eighth Omnibus Objection (Non-Substantive) of the Commonwealth of Puerto Rico and Puerto Rico Highways and Transportation Authority to Duplicative Claims Asserted by Certain HTA Bondholders* [ECF No. 13406] (the “One Hundred Ninety-Eighth Omnibus Objection”). In support of this Reply, the Commonwealth and HTA respectfully represent as follows:

1. On June 11, 2020 the Oversight Board filed the One Hundred Ninety-Eighth Omnibus Objection seeking to disallow in their entirety certain proofs of claim (collectively, the “Duplicative Claims”), each as listed on Exhibit A thereto, that are duplicative of one or more master proofs of claim filed in the Commonwealth Title III Case³ and/or the HTA Title III Case on behalf of holders of certain bonds. As set forth more fully in the One Hundred Ninety-Eighth Omnibus Objection and supporting exhibits thereto, each of the Duplicative Claims asserts liabilities associated with HTA Secondarily Insured Bonds. One Hundred Ninety-Eighth Omnibus Objection ¶ 20. HTA Secondarily Insured Bonds have been insured on the secondary market, and when a holder of an uninsured bond obtains such an insurance policy on the secondary market, a new CUSIP number is issued which corresponds to the original CUSIP numbers assigned to the bonds at the time of issuance. *Id.* ¶ 7. The CUSIP numbers associated with the HTA Secondarily Insured Bonds correspond to original CUSIP numbers that are listed in one or more

² PROMESA is codified at 48 U.S.C. §§ 2101–2241.

³ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the One Hundred Ninety-Eighth Omnibus Objection.

master proofs of claim filed on behalf of HTA bondholders in the Commonwealth and/or HTA Title III Case, and accordingly, the HTA Secondarily Insured Claims are duplicative of one or more master proofs of claim. *Id.*

2. Any party who disputed the One Hundred Ninety-Eighth Omnibus Objection was required to file a response by 4:00 p.m. (Atlantic Standard Time) on July 14, 2020, in accordance with the Court-approved notice attached to the One Hundred Ninety-Eighth Omnibus Objection as Exhibit C, which was served in English and Spanish on the individual creditors subject to the One Hundred Ninety-Eighth Omnibus Objection, the U.S. Trustee, and the Master Service List (as defined in the *Twelfth Amended Case Management Procedures* [ECF No. 13383-1]). *See Certificate of Service* [ECF No. 13480].

3. Lamm filed a proof of claim against HTA on June 6, 2018, and it was logged by Prime Clerk as Proof of Claim No. 48727 (the “Lamm Claim”). The Lamm Claim asserts liabilities associated with two secondarily insured HTA Transportation Revenue Bonds, Series 1998A, bearing CUSIP numbers 745190FY9⁴ and 745190SG4⁵ (the “Lamm Secondarily Insured Bonds”).

4. Lamm filed the Response on July 14, 2020. Therein, Lamm contends the Oversight Board has failed to “state which of the two bonds is duplicative” or to “produce the original CUSIP numbers of the allegedly duplicative bonds.” Response at 2 (emphasis in original). Further, the Response requested the Court “order the Oversight Board to produce the original CUSIP numbers of the listed duplicative bonds” and concluded that, if Lamm’s “claim for any bond is duplicative, he will withdraw it.” *Id.*

⁴ <https://emma.msrb.org/Security/Details/A0E8C0A1957C420A06489F79174DB0D98>.

⁵ <https://emma.msrb.org/Security/Details/AB5B163B155C6EB2FF7D13EE082759F22>.

5. As explained above, both Lamm Secondarily Insured Bonds bear CUSIP numbers 745190FY and 745190SG4. The original CUSIP associated with each of the Lamm Secondarily Insured Bonds is 745190AY4, and accordingly, that original CUSIP number is listed as a “Related Security” associated with the Lamm Secondarily Insured Bonds on the Electronic Municipal Market Access website, or EMMA.⁶ CUSIP number 745190AY4 is covered by a master proof of claim filed against HTA on behalf of HTA bondholders by the Bank of New York Mellon and logged by Prime Clerk, LLC as Proof of Claim No. 38574 (the “HTA Master Claim”).

6. Accordingly, the Lamm Claim should be disallowed in its entirety because the CUSIP numbers for the Lamm Secondarily Insured Bonds are associated with original CUSIP numbers covered by the HTA Master Claim, and the Lamm Claim therefore asserts liabilities associated with bonds issued by HTA that are duplicative of the HTA Master Claim. Failure to disallow the Claim would result in Lamm potentially receiving an unwarranted double recovery against HTA, to the detriment of other stakeholders in the HTA Title III Case.

7. Accordingly, the Debtors respectfully request the Court grant the One Hundred Ninety-Eighth Omnibus Objection and disallow the Lamm Claim.

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⁶ <https://emma.msrb.org/Security/Details/A78B133BE19B54D589EE22D3B476220D6>.

Dated: January 4, 2021
San Juan, Puerto Rico

Respectfully submitted,

/s/ Hermann D. Bauer

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